

STAND. COM. REP. NO.

1464

Honolulu, Hawaii

MAR 21 , 2025

RE: S.B. No. 935
S.D. 2
H.D. 2

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred S.B. No. 935, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO GOVERNMENT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the retirement allowance for a member who first earned credited service as a judge after June 30, 2025, to 1.75 percent of their average final compensation for each year of credited service as a judge;
- (2) Include sheriffs and deputy sheriffs in the enhanced retirement benefits category;
- (3) Reduce the minimum number of years of credited service required for Tier 2 members to qualify for vested benefit status from ten years to five years; and
- (4) Increase employer contributions to offset the liability produced by the changes to the vesting benefits schedule.

2025-2826 SB935 HD2 HSCR HMSO



Your Committee received testimony in support of this measure from the Office of the Governor; Department of Labor and Industrial Relations; Employees' Retirement System Board of Trustees; and Hawai'i State Teachers Association. Your Committee received testimony in opposition to this measure from the Judiciary; Kauai Bar Association; American Judicature Society; American Board of Trial Attorneys; West Hawaii Bar Association; Maui County Bar Association; State of Hawaii Organization of Police Officers; Hawai'i State Trial Judges Association; Hawaii State Bar Association; and numerous individuals. Your Committee received comments on this measure from the Department of Budget and Finance; Hawaii Employer-Union Health Benefits Trust Fund; United Public Workers, AFSCME Local 646, AFL-CIO; and Hawaii Government Employees Association, AFSCME Local 152, AFL-CIO.

Your Committee finds that continued and widespread vacancies in state and county departments and agencies hamper their ability to provide various essential services to the public. Your Committee further finds that easing the requirements to be eligible for retirement benefits for certain government employees will improve retention and recruitment.

Your Committee further finds that this measure proposes to decrease retirement benefits for judges. Your Committee believes that this decrease in retirement benefits will deter qualified and experienced attorneys from considering judgeships.

Your Committee has accordingly amended this measure by deleting language that would have established the retirement allowance for a member who first earned credited service as a judge after June 30, 2025, to 1.75 percent of their average final compensation for each year of credited service as a judge.

Your Committee has further amended this measure by:

- (1) Clarifying language that would include sheriffs and deputy sheriffs to the enhanced retirement benefits category; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 935, S.D. 2, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as S.B. No. 935, S.D. 2, H.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



